

MINUTES OF THE MEETING OF THE BOARD OF TRUSTEES OF
THE MIAMI BEACH EMPLOYEES' RETIREMENT PLAN
OF THE CITY OF MIAMI BEACH
February 14, 2012

Chairman Boyd called the meeting to order at 10:20 a.m.

Board Members present were as follows:

James Boyd		Hilda Fernandez
Jorge Gomez	Warren Green	Reinaldo Horday
	Jonathan Sinkes	Patricia Walker

Members absent -	Jose Cruz	Richard McKinnon
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Also present were:

Steve Cypen	Legal Counsel
Rick Rivera	Pension Administrator
Robert Martinez	Assistant Pension Administrator
Bill Cottle	Fund Consultant, Milliman Inc.
David Schwarzenberger	Investment Manager, WHV
Bart McMurry	Investment Manager, I.C.C.
Clement Johns	External Auditor, GSK
Vincent Carrodegua	External Auditor, GSK

The Administrator requested an addendum for a pension conference travel reimbursement on behalf of Trustee Warren Green for the amount of \$738.73.

A motion was made by Mr. Gomez duly seconded by Ms. Walker, and with all in favor it was unanimously

RESOLVED That the request for an addendum for a pension conference travel reimbursement on behalf of Trustee Warren Green for the amount of \$738.73 be added to C-13, Requests for Payment (Conferences).

A motion was made by Mr. Gomez duly seconded by Ms. Walker, and with all in favor it was unanimously

RESOLVED That the Consent Agenda be approved less item C-13, Requests for Payment (Conferences).

The Board numbered the 6 items in C-13, Requests for Payment (Conferences) #'s 1 - 6.

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A motion was made by Mr. Gomez duly seconded by Ms. Walker, and with all in favor except Mr. Green and Mr. Horday who abstained, it was

RESOLVED That items 1-6, except Item 3 be approved as presented.

A motion was made by Mr. Gomez duly seconded by Ms. Walker, and with all in favor except Mr. Green who abstained, it was

RESOLVED That item C-13, # 3 and the addendum, pension conference reimbursement for the amount of \$738.73 on behalf of Warren Green be approved as presented.

CONSENT AGENDA

C-1 The Minutes of the January 10, 2012 board meeting were approved as amended.

C-2 New Members were approved as follows -

<u>NAME</u>	<u>ID #</u>	<u>CLASSIFICATION</u>	<u>Union</u>	<u>HIRE</u>
Gisselle Williams	19910	Case Worker II	UNC	01/03/2012

C-3 New Retiree Allowances were approved as follows -

<u>Name</u>	<u>Date</u>	<u>Retirement Type</u>	<u>Monthly Amount</u>
Michelle Cox	2/01/2012	Ordinary Retirement (LA)	\$ 4,638.00
Simon Cruz	3/01/2012	Joint Svc. Retirement (100%)	\$ 958.62
Barbara Yero	3/01/2012	Ordinary Retirement (50%)	\$ 1,006.56

C-4 New Pensioner Allowances were approved as follows -

<u>Name</u>	<u>Date of Retirement</u>	<u>Ret. Type</u>	<u>Dependent upon</u>	<u>Amount</u>
Alyce Wahl	2/01/2012	J & S 100%	Robert Wahl	\$1,434.14
V.O. Beauchamp	2/01/2012	J & S 100%	Jimmy Beauchamp	\$1,100.24

C-5 Requests for Lump Sum Refunds were approved as follows -

<u>Name</u>	<u>Separation Date</u>	<u>Amount</u>	<u>Reason</u>
Anne Swanson	01/31/2012	\$16,720.99	Resignation
Jenne Midget	01/18/2012	\$17,963.58	Resignation

C-6 Request for Accumulated Contribution Refund for a Named Beneficiary was approved as follows - (None)

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C-7 Purchases of Creditable Service Time were approved as follows

<u>NAME</u>	<u>DATE</u>	<u>YEAR PURCHASED</u>	<u>HOURS USED</u>	<u>CASH USED</u>	<u>Total Buyback \$</u>
	12/9/2011	0.77	0	\$ 3,128.07	\$ 3,128.07
MICHAEL ANDREWS	1/26/2012	0.51	0	\$ 2,127.43	\$ 2,127.43
MANUEL R. LAGO	1/30/2012	0.50	131.59	\$ -	\$ 2,945.95
ALEJANDRO SIMON	1/27/2012	0.51	102.13	\$ -	\$ 3,611.33
JEAN EDDY JOSEPH	2/8/2012	0.51	94.82	\$ -	\$ 2,019.46

C-8 Request for up to Two (2) years of additional creditable service were approved as follows -

<u>Employee Name</u>	<u>Sworn</u>	<u>Prior Private</u>	<u>Employer Questionnaire</u>	<u>Application Resume or Add'nl back-</u>	<u>Creditable Service</u>
<u>Statement</u>	<u>Sector</u>	<u>FORM</u>	<u>up</u>	<u>Applying for</u>	
MARIO ALEXANDRE	x	x	x	x	2.0
ROSELINE CHOUTE	x	x	x	x	2.0
MARIA E. MOYA	x	x	x	x	2.0
MANUEL ROMERO	x	x	x	x	2.0
OCTAVE JOSEPH	x	x	x	x	2.0
ANN VIEHL	x	x	x	x	2.0
NANNETTE T. RODRIGUEZ	x	x	x	x	2.0
ELIZABETH B. FOJON	x	x	x	x	2.0
JORGE L. CHAVEZ	x	x	x	x	2.0

C-9 DROP applicants were approved as follows - (None)

C-10 Lump Sum Refunds Paid since the last meeting were approved as follows -

<u>DATE</u>	<u>NAME</u>	<u>CK #</u>	<u>Amount</u>
01/20/2012	Lump Sum- Morciego	113044	\$5,822.58
	945 Tax Deposit -R. Harris	xxxx	\$1,455.64

C-11 The Financial Reports were approved as presented.

C-12 Requests for Payment

Legal

Steve Cypen- Legal Services

Legal services rendered for the month of February 2012 \$ 5,000.00

Bookkeeping

Joan Wall- Bookkeeping

services rendered for the month of February \$ 350.00

Auditors

Goldstein Schechter Koch CPA's - Auditors

Progress bill audit work FY ending 9/30/11 Per Inv.# 89604 \$ 6,950.00

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Copier - Sharp Lease		
Monthly copier fees per inv.# 195450085	\$	228.56
Copier - Sharp Lease		
Rental charges per copy fee per inv.# C747067-551	\$	11.12
IDD- Storage		
Monthly storage fee per inv.# 0066007	\$	58.28
Office Maintenance- CMB Property Management		
Monthly maintenance for Nov.11' & Dec.11' per inv.# 00027220,00027432	\$	3,050.51
Printing & Postage- CMB Central Services		
Dec. Per inv.# 00027395 & Jan. 2012 Per inv.# 00027929	\$	2,091.71
Office Supplies- DSI		
Administrative check stock per inv.# 1189036	\$	528.37
Verification Services- Berwyn Group		
Death check verification for retirees per inv. # 19273 dated 1/25/12	\$	305.00

Custody Fees

Fiduciary Trust- Custodian		
Qtr. Ending 12/31/11	\$	7,839.22

Investment Consultant Fees

Investment Management Fees- ICC Capital		
Qtr. Ending 3/31/12 Per Inv. # 57632091	\$	38,494.66
Investment Management Fees- Rhumblin Advisers		
Qtr. Ending 12/31/11 Per inv.# gmbeach2011Q4,mbgadr2011Q4	\$	19,345.00
Investment Management Fees- WHV Investments		
Qtr. Ending 12/31/11 Per inv. # 44366 dated 1/27/12	\$	80,431.00

C-13 Requests for Payment (Conferences)**Conv/Seminars/Dues/Etc**

(1) Hyatt Regency Jacksonville- Conf. & Edu		
Hotel reservations for Warren Green Jacksonville, FL	\$	895.00
(2) FPPTA- Conf. & Edu.		
Registration fees for Warren Green Trustee School	\$	450.00
(3) Warren Green- Conf. & Edu.		
Travel expenses for FPPTA Trustee School Flight & Car Rental	\$	429.13
(4) Hyatt Regency Hotel - Conf. & Edu.		
Hotel reservations for E. Herman for NCPERS Washington, DC	\$	1,277.82
(5) Ray Horday- Conf. & Edu.		
Travel expense reimbursement for FPPTA School Feb. 4-7, 2012	\$	547.20
(6) Echo Herman- Conf. & Edu.		
Travel expenses reimbursement for NCPERS Conf. Feb. 4-7, 2012	\$	485.67
Warren Green- Conf. & Edu.		
Travel expenses for FPPTA Trustee School Flight & Car Rental	\$	738.73

REGULAR AGENDA

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R-1 Deferred Items -

- A. Meeting date change request - The Fund's investment consultant, Bill Cottle, requested a change in the investment meeting dates from Tuesday, August 14th to Tuesday, August 7th and from Tuesday, November 13th to Tuesday, November 6th. A discussion ensued. The Board decided to change the date of the Regular Board Agenda in August and November 2012 to Tuesday, August 7th and Tuesday, November 6th.
- B. Bond Downgrade Policy by Bill Cottle - Mr. Cottle reviewed the proposed bond downgrade policy. A discussion ensued regarding the definition of 'investment grade rating'. Mr. Cottle stated that any rating below BBB is not investment grade. He said that the symbol '- or +' does not matter as long as the rating is at least a BBB. Mr. Cottle said that he would incorporate the new bond downgrade language into the investment guidelines. The Administrator said that he would place the revised investment guidelines on a future board agenda for board approval.

R-2 New Items -

- A. 09/30/2011 Financial Statements presentation by GSK - Mr. Clement Johns and Mr. Vincent Carrodeguas went over the 9/30/2011 financial statements. Mr. Johns said that GSK had issued an unqualified opinion of the Plan's financial statements. Mr. Carrodeguas went over the Statement of Plan Net Assets, Statements of Changes in Plan Net Assets and Notes to Financial Statements. He said that the Plan's net assets had decreased from approximately \$378.8 million to \$362 million primarily due to a net depreciation of investments of -\$7 million for the year. A discussion ensued.

A motion was made by Ms. Walker duly seconded by Mr. Gomez, and unanimously

RESOLVED that the Miami Beach Employees' Retirement Plan's Financial Statements for the year ended September 30, 2011 be approved as presented.

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- B. 3rd Party Use of Actuary Policy - The Board reviewed a final draft of the 3rd Party Use of Actuary Policy and made two minor changes to the draft.

A motion was made by Mr. McKinnon seconded by Mr. Horday, and unanimously

RESOLVED that the 3rd Party Use of Actuary Policy be approved as amended.

- C. Pension office Carpet quotes - The Administrator provided the Board several quotes for carpet replacement of the pension office and conference room. He said that a supervisor of the property management department had recently inspected the condition of the current carpet in the pension office and stated that the carpet replacement would be handled by the property management department. No action was taken at this time.

R-3 Other Business

- A. Administrator's Report - There was no new information at this time.

R-4 Quarterly Investment Reports

- A. Bill Cottle, Milliman Inc. - Mr. Cottle went over the Fund's first quarter performance results. He said that the Fund earned 8.4% for the first quarter of the fiscal year. A discussion ensued regarding future fund performance and asset allocation. Mr. Cottle recommended shifting monies from the Rhumblin S&P 500 account to the Rhumblin S&P 400 account.

A discussion ensued regarding the value added performance of the Rhumblin ADR account. Mr. Cottle recommended that the Rhumblin ADR account be liquidated. He said that the liquidation should be in three \$10 million withdrawals over a 9 month period. A discussion ensued regarding the choice of 'Emerging Markets' as an investment vehicle. Mr. Cottle felt that the first \$10 million withdrawal from the Rhumblin ADR account should be moved to the WHV emerging market fund. A discussion ensued.

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Mr. David Schwarzenberger, Investment manager from WHV, described the WHV emerging markets fund. He said that since the pension fund currently held investments with WHV, he expected that the fee schedule for both investments would be combined creating an economies of scale. Chairman Boyd asked Mr. Cottle if he recommended a new investment in an emerging markets investment. Mr. Cottle said yes.

A motion was made by Ms. Walker seconded by Mr. Green, and unanimously

RESOLVED that \$10 million be transferred from the Rhumblin ADR account into an emerging markets ADR product from WHV investment firm.

- B. Equity manager presentations - Bart McMurtry of I.C.C and David Schwarzenberger of WHV Investment Advisers went over their quarterly reports dated December 31, 2011. Mr. Schwarzenberger said that his firm had changed their name from Wentworth Hauser & Violich to WHV Investment Management. He said that the name change had not affected any other aspect of the firm.

R-5 For Your Information

Chairman Boyd and Mr. Cypen reviewed For Your Information.

There being no further business to discuss, a motion was made by Mr. Horday duly seconded by Ms. Walker and unanimously

RESOLVED That the meeting be adjourned. The meeting was adjourned at 12:45 p.m.

James Boyd, Chairman

Hilda Fernandez, Secretary